GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:258
ANSWERED ON:19.11.2007
INVESTMENT BY MTNL
Renge Patil Shri Tukaram Ganpatrao;Thummar Shri Virjibhai

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Mahanagar Telephone Nigam Limited has invested Rs. 100 crore in Indian Telephone Industries Ltd. and the Government has not been benefited with the said investment as the company has not gained any profit;

(b) if so, whether the Government has taken any action against the people responsible for the said decision;

(c) if so, the details thereof; and

(d) if not, the reasons therefor and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) Yes, Sir. MTNL has invested Rs.100 crores in the preference shares issued by M/s ITI Limited. No dividend on these preference shares have been declared/paid due to losses incurred by M/s ITI Limited.

(b) No, Sir.

(c) Does not arise in view of (b) above.

(d) Preference shares are cumulative in nature. The arrears of dividend will be paid as and when M/s ITI makes sufficient profits.